

Grant Thornton LLP
1132 Bishop Street Suite 1000
Honolulu, HI 96813

(808)536-0066

September 7, 2004

Sports Shinko (USA) CO., Ltd.
And Subsidiaries
99-994 Iwaena Street, Ste C
Aiea, HI 96701

Dear Sir or Madam:

Enclosed are the original and one copy of your 2003 corporate tax returns, as follows...

2003 CALIFORNIA CORPORATION INCOME TAX RETURN

Each original return should be dated, signed and filled in accordance with the filing instructions. Copies of each return should be retained for your files.

The returns were prepared from your unaudited books and records. Please review the same to ensure there are no misstatements of fact or material omissions.

We have applied the overpayment of \$2,485 to your 2004 minimum franchise tax liability. We have not calculated any other estimates. If your operations have changed and estimates are needed, please let us know.

We recommend that you send the returns to the taxing authorities by certified mail with a request for a return receipt. Please retain the receipt as a proof of timely filing.

We sincerely appreciate this opportunity to serve you. If you have any questions regarding the returns, please do not hesitate to call.

Very truly yours,

Grant Thornton LLP

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EXHIBIT 10

2003 TAX RETURN FILING INSTRUCTIONS

CALIFORNIA FORM 100

FOR THE YEAR ENDING

December 31, 2003

Prepared for	Sports Shinko (USA) CO., Ltd. And Subsidiaries 99-994 Iwaena Street, Ste C Aiea, HI 96701	
Prepared by	Grant Thornton LLP 1132 Bishop Street Suite 1000 Honolulu, HI 96813	
To be signed and dated by	The appropriate corporate officer(s).	
Amount of tax	Total tax \$  Less: payments and credits \$  Plus: interest and penalties \$  Overpayment \$ 	REDACTED
Overpayment	Credited to your estimated tax \$  Refunded to you \$ 	
Make check payable to	Not applicable	
Mail tax return and check (if applicable) to	Franchise Tax Board P.O. Box 942857 Sacramento, CA 94257-0500	
Return must be mailed on or before	September 15, 2004	
Special Instructions		

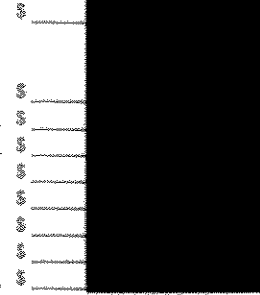
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SPORTS SHINKO (USA) CO., LTD. AND SUBSID

31-0302023

WORKSHEET FOR COMPUTATION OF ESTIMATED TAX
(Complete and retain for your files)

1. Estimated income
2. Tax - Amount on line 1 X [REDACTED] %
3. Tax Credits
4. Balance (subtract line 3 from line 2) (not less than minimum tax, if applicable)
5. Other taxes
6. Total estimated tax - Add lines 4 and 5 (not less than minimum tax, if applicable)
7. Overpayment on prior year return designated to be credited to this estimate
8. Amount already paid towards estimated tax
9. Net estimated tax

**REDACTED**

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339821
11-14-03

DETACH HERE ----- IF NO PAYMENT IS DUE, DO NOT MAIL FORM ----- DETACH HERE

TAXABLE YEAR

2004**Corporation Estimated Tax**

CALIFORNIA FORM

100-ES

For calendar year 2004 or fiscal year beginning	MONTH	DAY	YEAR	2004, and ending	MONTH	DAY	YEAR
This entity will file Form: <input checked="" type="checkbox"/> 100 <input type="checkbox"/> 100W <input type="checkbox"/> 100S <input type="checkbox"/> 109							
Return this form with a check or money order payable to: FRANCHISE TAX BOARD, PO BOX 842857, SACRAMENTO, CA 94287-0531				Installment 4			
Due by the 15th day of 12th month of tax year; for Saturdays, Sundays, or holidays, see instructions.							

California corporation number	Federal employer identification number (FEIN)
Corporation name SPORTS SHINKO (USA) CO., LTD. AND SUBSIDIARIES	
Attention: Owner's or Representative's name	
Corporation address	PMB no.
99-994 IWAENA STREET, STE C	
City	State ZIP Code
AIIEA, HI 96701	

If no payment is due, do not mail this form.

Estimated Tax Amount

QSub Tax Amount

Total Installment Amount

EFT TAXPAYER: DO NOT MAIL THIS FORM

100ES04104022

Form 100-ES (REV. 2003)

SPORTS SHINKU (USA) CO., LTD. AND SUBSID

31-0302022

Schedule D California Capital Gains and Losses**Part I Short-Term Capital Gains and Losses - Assets Held One Year or Less.** Use additional sheet(s) if necessary.

(a) Kind of property and description (Example: 100 shares of Z Co.)	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Gross sales price	(e) Cost or other basis plus expense of sale	(f) Gain (loss) (d) less (e)
1					
2	Short-term capital gain from installment sales from form FTB 3805E, line 26 or line 37				2
3	Unused capital loss carryover from 2002				3
4	Net short-term capital gain (loss). Combine line 1 through line 3				4

Part II Long-Term Capital Gains and Losses - Assets Held More Than One Year. Use additional sheet(s) if necessary.

5					
6	Enter gain from Schedule D-1, line 9 and/or any capital gain distributions				6
7	Long-term capital gain from installment sales from form FTB 3805E, line 26 or line 37				7
8	Net long-term capital gain (loss). Combine line 5 through line 7				8
9	Enter excess of net short-term capital gain (line 4) over net long-term capital loss (line 8)				9
10	Net capital gain. Enter excess of net long-term capital gain (line 8) over net short-term capital loss (line 4)				10
11	Total line 9 and line 10. Enter here and on Form 100, Side 1, line 5. Note: If losses exceed gains, carry forward losses to 2004				11

Schedule J Add-On Taxes and Recapture of Tax Credits. See instructions.

1	LIFO recapture due to S corporation election, IRC Sec. 1363(d) deferral: \$	1
2	Interest computed under the look-back method for completed long-term contracts (Attach form FTB 3834)	2
3	Interest on tax attributable to installment: a Sales of certain timeshares and residential lots	3a
	b Method for nondealer installment obligations	3b
4	IRC Section 197(f)(9)(B)(i) election	4
5	Credit recapture name:	5
6	Combine line 1 through line 5, Revise Side 1, line 37 or line 38, whichever applies, by this amount. Write "Schedule J" to the left of line 37 or line 38	6

Questions (continued from Side 1)

E Principal business activity code. (Do not leave blank) * 713900
Business activity SERVICE
Product or service RESORT HOTEL

F Date incorporated: 08/05/1987 Where: State CA Country U.S.A.

G Date business began in California or date income was first derived from California source: * 08/27/1989

H First return? * ☐ Yes ☒ No If "Yes" and this corporation is a successor to a previously existing business, check the appropriate box:
* (1) ☐ sole proprietorship (2) ☐ partnership (3) ☐ joint venture (4) ☐ corporation (5) ☐ other
(attach statement showing name, address and FEIN of previous business)

I "Doing business as" name: *

J Did this corporation or its subsidiary(ies) have a change in control or ownership, or acquire ownership or control of any other legal entity this year? * ☐ Yes ☒ No

K At any time during the taxable year, was more than 50% of the voting stock:
a Of the corporation owned by any single interest? * ☒ Yes ☐ No
b Of another corporation owned by this corporation? * ☒ Yes ☐ No
c Of this and one or more other corporations owned or controlled, directly or indirectly, by the same interests? * ☒ Yes ☐ No
If a or c is "Yes" enter the country of the ultimate parent * JAPAN
If a, b or c is "Yes," furnish a statement of ownership including pertinent names, addresses, and percentages of stock owned. If the owner(s) is an individual, provide the SSN.

L Was 50% or more of the stock of this corporation owned directly by another corporation during this taxable year? * ☒ Yes ☐ No

M Is this corporation accumulating income to California gains Schedule R? * ☐ Yes ☒ No

N How many affiliates in the combined report are claiming immunity from taxation in California under Public Law 80-272? *

O Corporation headquarters are: * (1) ☒ Within California
(2) ☐ Outside of California, within the U.S. (3) ☐ Outside of the U.S.

P Location of principal accounting records: SAME AS ON SIDE 1

Q Accounting method: * (1) ☐ Cash (2) ☒ Accrual (3) ☐ Other

R Did this corporation or one of its subsidiaries make a federal election to be treated as a foreign sales corporation (FSC) or a domestic international sales corporation (DISC)? ☐ Yes ☒ No

S Is this corporation or any of its subsidiaries a RIC? * ☐ Yes ☒ No

T Is this corporation treated as a REMIC for California purposes? * ☐ Yes ☒ No

U Is this corporation a REIT for California purposes? * ☐ Yes ☒ No

V Is this corporation an LLC or limited partnership electing to be taxed as a corporation for federal purposes? * ☐ Yes ☒ No

W Is this corporation to be treated as a credit union? * ☐ Yes ☒ No

X Is the corporation under audit by the IRS or has it been audited by the IRS in a prior year? * ☐ Yes ☒ No

Y Have all required information returns (e.g. Federal Forms 1099, 5471, 5472, 8300, 8865, etc.) been filed with the Franchise Tax Board? ☐ N/A ☒ Yes ☐ No

Z Were total receipts (see page 18 of the instructions) for the taxable year and total assets at the end of the taxable year less than \$250,000? ☐ Yes ☒ No
If "Yes," the corporation is not required to complete Schedules L, M-1, and M-2 on Side 4. Instead, enter here the total amount of cash distributions and the book value of property distributions (other than cash) made during the tax year: \$

Please Sign Here: Signature of officer [Signature] Title _____ Date _____ Telephone _____

Paid Preparer's Use Only: Preparer's signature Doreen L. Diffuth Date 9/7/04 Check if self-employed ☐ Preparer's SSN/PTIN [Redacted]

Firm's name (or yours, if self-employed) and address: GRANT THORNTON LLP
1132 BISHOP STREET SUITE 1000
HONOLULU, HI 96813 FEIN [Redacted] Telephone (808) 536-0066